Annual Report

Government Information Systems Management
Organization (Man) Inc.

For the Period Ended

March 31, 2000

Minister of
Finance

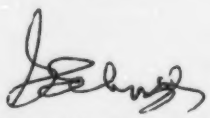
Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour Peter Liba
Lieutenant-Governor of the Province of Manitoba
Winnipeg, Manitoba

May It Please Your Honour,

The undersigned has the honour to present the Annual Report of the Government Information Systems Management Organization (Man) Inc. for the year ended March 31, 2000.

Respectfully submitted,



Honourable Greg Selinger
Minister Responsible for the
Government Information Systems
Management Organization (Man) Inc.

Management Report

The accompanying financial statements are the responsibility of the management of the Government Information Systems Management Organization (Man) Inc., and have been prepared in accordance with generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to September 22, 2000.

Management maintains internal controls to properly safeguard the Organization's assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Provincial Auditor is to express an independent opinion on whether the financial statements of the Organization are fairly presented in accordance with generally accepted accounting principles. The Auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Gerry Gaudreau
Treasurer,
Government Information Systems Management Organization (Man) Inc.

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Government Information System Management Organization (Man) Inc.

We have audited the balance sheet of Government Information Systems Management Organization (Man) Inc. as at March 31, 2000 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Greg R. MacBeth, CA
for the Provincial Auditor

Winnipeg, Manitoba
September 22, 2000

Government Information System Management Organization (Man) Inc
Balance Sheet
as at March 31, 2000

	2000	1999
Assets		
Current Assets:		
Cash	$ -	$ 2
Capital Assets (note 3)	-	56,949,317
Deferred Development Costs (note 4)	-	92,350,081
Total Assets	**$ -**	**$149,299,400**
Liabilities		
Current:		
Accounts payable and accrued liabilities:		
Province of Manitoba	$ -	$ 10,277,400
Other	-	47,221,435
Holdbacks payable	-	2,727,401
	-	60,226,236
Long-term:		
Deferred contributions (note 5)	-	8,000,000
Loan payable to Province of Manitoba (note 6)	-	81,073,154
	-	89,073,154
Total Liabilities	-	149,299,390
Equity		
Shareholder's equity		
Share capital		
Authorized - unlimited common shares		
Issued- 1 common share	-	10
	$ -	**$149,299,400**

Approved by the Board of Directors

Government Information System Management Organization (Man) Inc
Statement of Cash Flows
For the Year Ended March 31, 2000

	2000	1999
Cash derived from (applied to):		
Operating		
Net Income	$ -	$ -
Amortization	-	5,510,725
	-	5,510,725
Investing		
Acquisition of Capital Assets	-	(53,941,676)
Increase in Deferred Development Costs	-	(72,096,441)
Transfer of Capital Assets and Deferred Development Costs	149,299,398	-
	149,299,398	(126,038,117)
Financing		
Province of Manitoba Loans received (discharged)	(81,073,154)	71,855,854
Increase (decrease) in Accounts Payable	(60,226,236)	44,760,515
Deferred contributions - Federal Government	-	3,861,300
Transfer of Deferred contributions	(8,000,000)	-
Transfer of Share capital	(10)	-
	(149,299,400)	120,477,669
Increase (decrease) in cash	(2)	(49,723)
Cash, beginning of year	2	49,725
Cash, end of year	$ -	$ 2

Government Information System Management Organization (Man) Inc
Statement of Income and Retained Earnings
For the Year Ended March 31, 2000

	2000	1999
Revenue:		
Province of Manitoba	$ -	$ 13,609,852
Expense		
Amortization	-	5,510,725
Write down of Deferred Development Costs	-	8,099,127
	-	13,609,852
Net income	-	-
Retained earnings, beginning of year	-	-
Retained earnings, end of year	$ -	$ -

Government Information Systems Management Organization (Man) Inc
Notes to Financial Statements
March 31, 2000

1. Nature of the Organization

The Government Information Systems Management Organization (Man) Inc. was incorporated under articles of incorporation dated November 4, 1997. The Province of Manitoba, through the Minister of Finance as the sole shareholder, appoints the Board of Directors. The Organization receives staff support from the Department of Finance.

The purpose of the Organization is to fund and record the costs for the major technology initiatives underway for the Manitoba Government.

During the 1999-2000 fiscal year, the Government of Manitoba initiated the wind down of the Organization. All assets and liabilities of the Organization as at March 31, 2000, were transferred to the Province in consideration for the discharge of all advances outstanding by the Organization to Manitoba. Title to the Organization's capital assets were transferred as of April 1, 1999.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Organization are presented in accordance with generally accepted accounting principles.

b) Capital assets

Capital assets were recorded at cost. The cost of these assets included the related development costs which were deferred until the assets are put into service.

c) Deferred development costs

The costs for Desktop Management, Better Methods, Better Systems and Point of Service were deferred until these systems are put into service, at which time they were reflected as capital assets and subject to amortization. Development costs, which include purchased software, implementation costs and interest charges, were considered to be in service only when the related project was completed.

Under the Health Information Services of Manitoba Corporation project, as modules were completed, deferred development costs attributable to those modules were recorded as capital assets and amortized over future service years.

d) Amortization policies

Amortization commenced in the year in which the asset was put into service, at which time amortization was one half of one year's amortization.

The following policies applied to Capital Assets for Desktop Management:

Computer Hardware including LAN systems	4 years, straight line
Infrastructure Capital	4 years, straight line
Transition Costs	15 years, straight line
Desktop Software including licenses	4 years, straight line

3. Capital Assets

Desktop Management

	Cost	Accumulated Amortization	2000 Net Book Value	1999 Net Book Value
Computer Hardware	$ -	$ -	$ -	$ 23,211,483
Infrastructure Capital	-	-	-	3,370,401
Transition Costs	-	-	-	21,163,982
Desktop Software	-	-	-	9,203,451
	$ -	$ -	$ -	$ 56,949,317

4. Deferred Development Costs

	March 31, 1999	Transfers	March 31, 2000
Better Methods	$ 44,380,422	$ (44,380,422)	$ -
Better Systems	29,517,279	(29,517,279)	-
Point of Service	2,157,664	(2,157,664)	-
Health Information Services of Manitoba Corporation	16,294,716	(16,294,716)	-
	$ 92,350,081	$ (92,350,081)	$ -

5. Deferred Contributions

Advances were received from the Federal Government, Human Resource Development Center, to assist in funding the development of an integrated case management system within the Better Systems initiative.

6. Economic Dependence and Related Party Transactions

The Organization is economically dependent on the Province of Manitoba. The majority of the funding for the Organization was provided through loans from the Province. Interest was charged at prime and was due quarterly. There were no specific repayment terms.

7. Investment in Subsidiary

In April 1998, the Organization acquired the one issued and outstanding common share of the Health Information Services of Manitoba (HISM) Corporation for $10, making HISM a wholly owned subsidiary. HISM was fully consolidated in these financial statements.

During the 1999-2000 fiscal year, in concurrence with the Government of Manitoba, the Directors of the Organization initiated the wind down of HISM. All assets and liabilities of HISM as at March 31, 2000, were transferred to Manitoba in consideration for the discharge of all advances outstanding by the Organization to Manitoba on behalf of HISM. Title to all capital assets were transferred as of April 1, 1999.

8. Subsequent Event

On August 24, 2000, the Directors of the Organization passed a resolution to dissolve both the Organization and its subsidiary during the 2000-2001 fiscal year.